

**ASSOCIATED GENERAL CONTRACTORS of ALASKA**

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December 29, 2006

Alaska Department of Transportation and Public Facilities
Statewide Planning Office
3132 Channel Drive, Suite 200
Juneau, Alaska 99801-7898

Re: 2006-2008 STIP

To whom it may concern:

For years, the AGC of Alaska has supported a process for selection of transportation projects that is fair, based on the needs of the entire State, and non-political. In our opinion, the process that best meets these criteria is the Statewide Transportation Improvement Program operated under the direction of the Department of Transportation and Public Facilities. While the desire of prior administrations to direct the allocation of transportation monies to meet certain desired political ends has been evident in the past, the rigor of the process tended to eliminate or minimize the impact of these efforts and the overall needs of state dominated the process.

In the 2006-2008 STIP, it appears that this process is in serious jeopardy. Almost half of the anticipated money in 2006 is proposed to be spent on two mega-projects. Since the construction costs of each of these projects is considerably greater than the proposed 2006 expenditure allocation, it is feared that the projects could conceivably consume almost half of the transportation spending for the entire 2006-2008 STIP period. Consequently, other meritorious projects throughout the state would be deferred perhaps indefinitely. To make matters worse, the current federal funding statute sets forth strict requirements for expenditures in various categories thereby further limiting flexibility of the state to address Alaska's transportation and maintenance needs.

Elevating the two mega-projects to the proposed level of importance basically guts the existing STIP process and places politics ahead of statewide needs. AGC does not take positions on individual projects, but we believe that these two mega-projects should be exposed to the STIP process and the public scrutiny attached thereto. If these projects survive based on their merit and the needs of the state, then AGC would support their

inclusion. But if the projects are not subject to the STIP process and are included, or advanced, for political reasons, AGC opposes their inclusion.

Sincerely,

Richard Cattanach
Executive Director